

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6078

BILL NUMBER: SB 249

NOTE PREPARED: Mar 19, 2013

BILL AMENDED:

SUBJECT: Pension Plan Reporting.

FIRST AUTHOR: Sen. Walker

FIRST SPONSOR: Rep. Wesco

BILL STATUS: CR Adopted - 2nd House

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: The bill provides that various local retirement plans must report annually to the State Board of Accounts (SBOA). It specifies information to be included in a retirement plan report and requires the State Examiner to submit a report annually to the General Assembly that summarizes the information received by SBOA concerning various local retirement plans. The bill repeals the chapter providing that the Indiana Public Retirement System (INPRS) receive reports from various state and local retirement plans. (The introduced version of this bill was prepared by the Pension Management Oversight Commission.)

Effective Date: July 1, 2013.

Explanation of State Expenditures: The bill provides that state and local retirement plans must report annually the information to SBOA, in a manner prescribed by the State Examiner. These reports must be submitted on the date each year on which the political subdivision's financial reports are due to SBOA (currently 60 days after the close of the political subdivision's fiscal year).

It is anticipated that this information will be submitted to SBOA via the Indiana Transparency Portal (ITP) in order to establish a reporting system within existing state resources. The ITP is a joint collaboration between the Office of Management and Budget (OMB), the Department of Local Government Finance (DLGF), and SBOA.

Each year, no later than July 1, SBOA is to make an annual report to the General Assembly on these local pension and retirement plans. The bill outlines the minimum information that must be included in this report. As the additional data collection and reporting falls within SBOA's routine administrative functions, the agency

should be able to implement the provisions of the bill with no additional appropriations, assuming near customary agency staffing and resource levels.

Explanation of State Revenues:

Explanation of Local Expenditures: Local political subdivisions are already required to submit financial information to INPRS on an annual basis. As well, subdivisions regularly report information to SBOA and DLGF via the ITP. However, some political subdivisions may incur additional costs to provide the required data for their defined benefit plans, particularly if the political subdivisions do not currently have actuarial reports on those plans.

In addition, under a provision of the bill, the DLGF may not approve the budget or a supplemental appropriation for a political subdivision until the political subdivision files the required annual report on its pension plan(s).

Explanation of Local Revenues:

State Agencies Affected: State Board of Accounts; Department of Local Government Finance; Office of Management and Budget.

Local Agencies Affected: Political subdivisions and local units operating pension and retirement plans.

Information Sources: *Pension Management Oversight Committee.*

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